

No. 16,440

United States Court of Appeals
For the Ninth Circuit

PATRIARCA MFG., INC., a corporation, DOMENICO
PATRIARCA, an individual, and DONALD A.
CAMERON, an individual,

Appellants,

vs.

MELVIN SOSNICK, MARVIN SOSNICK, and PETER
SOSNICK, a copartnership, doing business as
Melvin Sosnick Co., and MELVIN SOSNICK,
MARVIN SOSNICK and PETER SOSNICK, individ-
uals, and ALFRED AUSTRUY, an individual,

Appellees.

BRIEF FOR APPELLEES.

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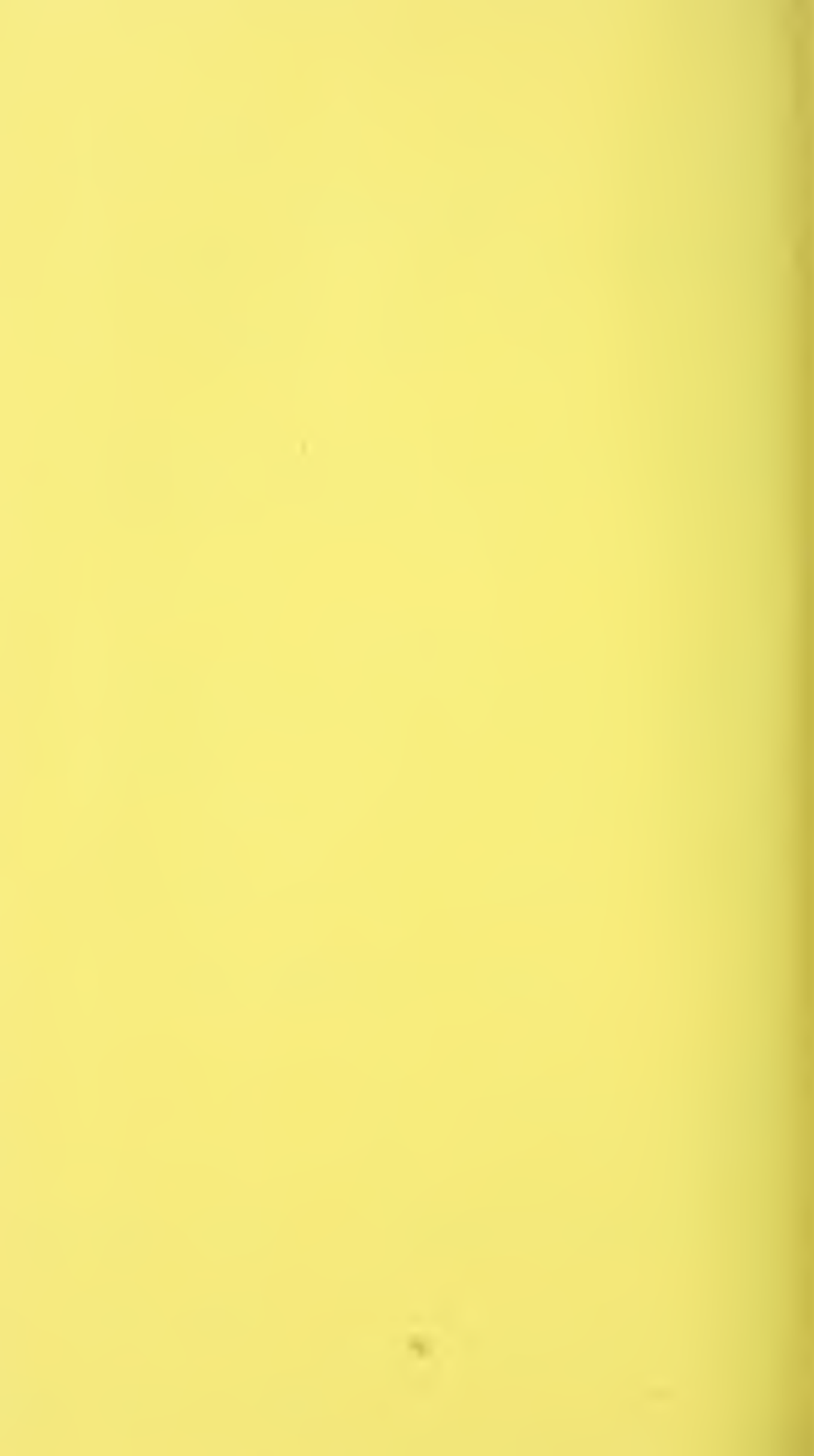
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BRIEF FOR APPELLEES.

STATEMENT OF THE CASE.

For convenience we will adopt plaintiff's references to the parties. Plaintiff is substantially correct in his apprising this Court of the background of the lawsuit. A few additional facts and emphasis is all that is intended here.

Defendants Sosnick are in the wholesale cigar distributing business. They saw a showcase being used by one of their customers which was manufactured by Rubinfeld Showcase Co. of Los Angeles. It was

one of the now-labeled "accused showcases". Defendants Sosnick thereupon undertook to purchase Rubinfeld showcases for resale to their customers. Some sixteen such showcases were sold, including one to defendant Austruy. Defendants Sosnick also sold the showcase described in Exhibit 2 attached to a stipulation, filed with the Court, which had been manufactured and designed by Rubinfeld.

In the trial below, plaintiff sought to establish the validity of mechanical (utility) patent, U.S. No. 2,735,739, and Cameron Design patent, U.S. No. Des. 168,288.

Plaintiff appeals only from the adverse result as to the Cameron Design Patent.

ANALYSIS OF PLAINTIFF'S ARGUMENT ON APPEAL.

Plaintiff's argument can be briefly summarized as follows:

The plaintiff's showcase is a design beyond the skill of an ordinary designer in the art and was not anticipated in the prior art, and this is proven by the widespread copying of the design and the commercial success of the showcase in selling cigars.

SUMMARY OF DEFENDANTS' ARGUMENT ON APPEAL.

I. Plaintiff's showcase was anticipated by the prior art and was not beyond the skill of an ordinary designer in the art.

II. Commercial success or copying of a design, even if shown, will not supply invention where invention is plainly lacking.

I. PLAINTIFF'S SHOWCASE WAS ANTICIPATED BY THE PRIOR ART AND WAS NOT BEYOND THE SKILL OF AN ORDINARY DESIGNER IN THE ART.

The basic legal rules for Design Patents are well known, and we refer to them briefly.

A design patent is for ornamental appearance, not for utility or function. (35 U.S.C. 171.) However, "a streamlined and pleasing appearance is insufficient, in the absence of invention." *Robert W. Brown & Co. v. De Bell*, 243 F. 2d 200, 202, 113 U.S.P.Q. 172, 173, C.A. 9, April 5, 1957.

It has been repeatedly held that a design patent must involve a high standard of inventive ingenuity. In fact, some Courts have gone so far as to say (*Bridgell v. Alglobe*, 194 F. 2d 416 at 419, 92 U.S.P.Q. 100 at 102):

"To obtain a valid design patent is exceedingly difficult."

In this circuit, it has repeatedly been held that there must be a high standard of invention to sustain a design patent. In *Magarian v. Detroit Products Co.*, 128 F. 2d 544, 53 U.S.P.Q. 659, the Circuit Court of Appeals, Ninth Circuit, said:

"It may readily be conceded, as appellant contends, that the design of the arm is streamlined and pleasing in appearance; but this is insufficient

in the absence of invention. Walker on Patents (Deller's Edition), Vol. 1, §129, p. 421; A. C. Gilbert Co. v. Shemitz, 2 Cir., 45 F. 2d 98, 99 (7 USPQ 115, 116); Berlinger v. Busch Jewelry Co., Inc. 2 Cir., 48 F. 2d 812, 813 (9 USPQ 219, 220). There was no invention here. The outline of the arm is perhaps a refinement over prior structures shown in the record, but that is all that can be said for it."

For a more recent view and one taken by our own Division of the District Court, reference is made to the opinion in *Butcher Boy Refrigeration Door Co. v. Phillips Refrigeration Products Co.*, 144 Fed. Supp. 331, 110 U.S.P.Q. 517, decided August 14, 1956. There, Judge Roche said, in holding a design patent invalid:

"To entitle an applicant to a design patent there must be originality and the exercise of the inventive faculty. Mere mechanical skill, whether of the artisan or of the artists, is insufficient. Associated Plastic Companies v. Gits Molding Corp., (1950) 182 F. 2d 1000, 86 USPQ 226. More is required for a valid design patent than that the design be new and pleasing enough to catch the trade; it must be the product of invention, by which it is meant that conception of the design must demand some exceptional talent beyond the skill of the ordinary designer. Neufeld-Furst & Co. v. Jay Day Frocks, 2 Cir., 112 F. 2d 715, 45 USPQ 632; See also S. Dresner & Son v. Doppelt, 120 F. 2d 50, 49 USPQ 622; Zangerle & Peterson Co. v. Venice Furniture & Novelty Mfg. Co., 133 F. 2d 266, 56 USPQ 351; Hueter v. Compco Corp., 179 F. 2d 416, 84 USPQ 312."

It is apparent from plaintiff's brief, pages 26-31, that plaintiff rests his entire case on the premise that the degree of angle of the vertical lower front panel is the inventive departure from the prior art.

Plaintiff concedes, and it is obvious in any event, that the plaintiff's showcase and the Royal showcase, defendants' Exhibit A, are both formed of the same elements:

a top, two side walls, upwardly and rearwardly inclined glass doors, a lower front panel, and shelves visible through the glass.

The only apparent difference is the fact that the lower front panel of the Royal showcase extends to the floor with a very slight rearward angle as compared to the Patriarca showcase.

However, at the trial, Mr. Patriarca himself said that the feature of his showcase was not important.

He was being asked by his own counsel whether or not the later showcase being sold by defendants with a backward cut front panel, was a substantial or trivial change from the Patriarca showcase. (R. 69-70.)

“Q. After those notices of infringement did the defendants Sosnick commence to sell the cabinet of a different design, that is, somewhat different from the ones that are before us here?

A. That is correct. Oh, sometime after three or four months he did—it came to my attention that he started to sell a little different style of cabinet—exactly the same, actually it is exactly the same cabinet, except he made some change

in the front panel. He just cut backwards instead of slanting downwards.

Mr. Mellin. If the court please, may he produce some models and show what the change consisted of?

The Court. Yes, he may.

The Witness. Actually, instead of bringing the cabinet down this way, he cut it his way and came down.

Q. (By Mr. Mellin.) Is that the only change you could see? (42)

A. To the best of my knowledge that is the only thing.

Q. Can you mark on Exhibit 3 on Figure 3 the change that was made? In other words, cut out that little triangular piece?

A. That is right.

Q. In your opinion was that a substantial or a trivial change?

A. I would say that it's a trivial change. I mean it doesn't do any less or any more than the other does."

There appears to be a serious question in plaintiff's own mind as to the significance of the angle of the lower front panel.

Of utmost significance in this case was the failure of the Patent Office to consider all the prior art, for it is apparent that the "distinctive angularity" of the lower front panel existed in prior art not considered by the Patent Office.

As pointed out in *Brown v. De Bell*, supra at page 202:

“The presumption of *prima facie* validity of a patent is greatly weakened, if not destroyed, when pertinent prior art is not considered by the Patent Office.”

The Patent Office considered prior art consisting of Tyler Des. Patent No. 111, 868 and a Tyler publication, both showing a refrigerator, and design patents to Gochenour, Chase and Pavlock on open stands or showcases. See file wrapper of Cameron patent, Plaintiffs' Exhibit No. 14, wherein it is conceded that:

“Although both Gochenour and Chase show a rearwardly inclined lower front wall, the angle is quite steep, and does not have the very distinctive angularity to the sloping front shown in Fig. 3 of the drawings.”

Particular attention is called to the prior art not considered by the Patent Office which contains the same general configuration as plaintiff's showcase and in particular the “distinctive angularity of the lower front panel.”

Defendants' Exhibit N. Patent, Italy, 459,257, September 1, 1950.

Defendants' Exhibit O. Patent, 2,575,643, Tamsen, November 20, 1951.

Defendants' Exhibit Q. Patent, 1,162,146, Dulgeroff, November 30, 1915.

Defendants' Exhibit R. Patent, 977,318, Bonaffons, November 29, 1910.

Defendants' Exhibit S. Patent, 543,657, Rosenberg, July 30, 1895.

No descriptive claim need be made in a design patent, but as the Court of Appeals said in the case of *D & H Electric Co. v. M. Stephens Mfg. Co., Inc.*, 233 F. 2d 879:

“Claims of a patent must be interpreted with reference to the history contained in the file wrapper, which is nothing more than a written record of the preliminary negotiations between the applicant and the Patent Office for a patent monopoly contract.”

If the Court will compare the Cameron design patent with the Palm Liquors cigar showcase, also called the Royal showcase, Defendants' Exhibit A (shown also in photographs, Defendants' Exhibits K, L and M), striking similarities will be seen. It is incredible that, with the Palm Liquors showcase before him, the Patent Examiner would have allowed the Cameron patent. The Patent Office has been accused of spawning incredible patents (*Oriental Foods, Inc. v. Chun King Sales*, 113 U.S.P.Q. 407; *A & P Case*, 340 U.S. 158), but surely the Patent Office would not have spawned the Cameron patent if the Examiner had known of the Palm Liquors showcase.

The design patent forming the subject of the present suit covers a cigar counter and it is within everyone's knowledge that cigar counters are very old structures. As our Court of Appeals said in the Syracuse case, cited above:

“This court is of the opinion in this case, that one need not explore prior art, that one look at

the bag is enough to convince a court that it lacks the elements that the United States patent laws are intended to protect.”

Thus, even in the absence of *any* prior art, it is believed that it was an abuse of discretion for the Patent Office to issue a design patent on such an article. Wherein lies the invention? Counters have been long known and this one appears to be about like all the others.

Not one of these anticipatory patents was taken into consideration by the Patent Office in granting this patent. Given this art as a starting point, any skilled mechanic could have worked out plaintiff’s design without the exercise of inventive ingenuity. Certainly Design Patent 168,288 is a disgrace to the Patent System and is typical of the patents which have at times brought discredit on what should be a system “To Promote the Progress of Science and Useful Arts.” In the concurring opinion in *Great Atlantic and Pacific Tea Co. v. Supermarket Equipment Co.*, 71 S.Ct. 127, 340 U.S. 147, it was said:

“It is not enough that an article is new and useful. The Constitution never sanctioned the patenting of gadgets.”

The patent covers a gadget, well within the skill of one in the art and is clearly not subject matter that our Constitution and Laws contemplated as patentable.

As a final point, the law is clear that utility will not be considered in a design patent. As far as the angu-

larity of the lower front panel is concerned, defendants' expert Donald Lippincott testified (R. 179):

“(The reason for the rearwardly inclined front panel . . .) is to allow the customer to stand near the counter.

Q. Would it be correct to say that the sloping lower front wall of a cigar showcase, such as shown in the Cameron design patent, is primarily a utilitarian feature rather than an ornamental feature?

A. I would think so, yes.”

II. COMMERCIAL SUCCESS OR COPYING OF A DESIGN, EVEN IF SHOWN, WILL NOT SUPPLY INVENTION WHERE INVENTION IS PLAINLY LACKING.

First, one misconception should be dispelled. Plaintiff attempts to infer that defendants designed the accused showcase by slavishly copying the Patriarca case. (P.O.B. 22-26.)

The fallacy of the argument is readily apparent from the uncontroverted testimony of Marvin Sosnick. (R. 162-164.)

“Q. Could you tell us, beginning at the beginning as far as (177) you know it, how the Melvin Sosnick Company got into the business of selling cigar showcases?

A. Well, we had requests from our retailers for such type case or a self-service case, I should say. I was visiting with one of our retailers and he told me that he had purchased two of these cases from Rubinfeld. Presently the cases were

delivered while I was still in the store. I liked the case and offered it to our retailers.

Q. Did you at any time request Mr. Stelling or anyone else connected with the Royal Showcase Company or anybody to copy a Patriarca case?

A. No, sir.

Q. Do you know whether anybody else connected with Melvin Sosnick Company made any such request?

A. I would be the only one who would make such a request.

Q. And you did not?

A. I did not.

Q. At any time did you ask the Rubinfeld Showcase Company to design a particular case for you?

A. Never.

Q. There was a change that was made in the case which you are selling, and that is best shown in Defendants', or rather, Plaintiff's Exhibit 3, where a witness yesterday drew in in pencil a modification change in the cabinet. Did you request Rubinfeld Showcase Company to make that change? (178)

A. No, I didn't. In fact, I was rather surprised when I saw a shipment come in that way.

Q. At the time the Melvin Sosnick Company commenced to engage in the sale of self-service cigar showcases, did you know anything about the patents to Mr. Cameron and Mr. Patriarca, which are in suit in this case?

A. No, I didn't.

Q. Do you know whether anybody else connected with Melvin Sosnick Company knew of these patents at that time?

A. No, they didn't.

Q. Rubinfeld Showcase does not manufacture exclusively for Melvin Sosnick Company, is that correct?

A. That's right.

Q. Do you have any idea about the percentage of the output of Rubinfeld Showcase Company that you sell?

A. Well, I saw Mr. Rubinfeld last October and at that time I believe he said he put out over a thousand cases.

Q. And is your proportion small or large in comparison to that amount of showcases?

A. It is a fraction of a per cent of that.

Q. As far as you know, anyone anywhere can purchase Rubinfeld showcases from Rubinfeld Showcase Company?

A. That's right.

Q. Without going through you?

A. Yes. (179)''

As to commercial success, the authorities are clear:

“Where . . . invention is painfully lacking, commercial success cannot fill the void.”

Jungersen v. Ostley & Barton Co., 335 U.S. 560 at 567.

But commercial success should be considered only where the case is close.

Pointer v. Six Wheel Corp., 172 F. 2d 153 at 156;

Application of Lange, 228 F. 2d 245 at 246.

Plaintiff relies almost exclusively on “commercial success” to support his argument on appeal. And

that "commercial success" is based entirely on the testimony of Marcus Glaser. Mr. Glaser's credibility must therefore be examined.

1. Glaser is a business competitor of defendants. (R. 84, 109, 158, 162.)

2. Glaser is the exclusive representative for plaintiff in California, Oregon, and Washington. (R. 84, 107.)

3. A personal animosity exists between Glaser and defendant Melvin Sosnick. (R. 122.)

Glaser's credibility should also be examined in light of the strong possibility he may be the "real party in interest" in the litigation.

It should be borne in mind that defendants are not manufacturers or designers, but mere distributors of cigars, just as Glaser. It seems strange, then, that they should be singled out for suit, and the manufacturer, Rubinfeld, ignored.

Mr. Melvin Sosnick expressed it (R. 160-161):

"Q. Have you asked the Rubinfeld Showcase Company to give assistance in this lawsuit?

A. I did.

Q. Did they refuse to give assistance?

A. Mr. Rubinfeld told me that he has been in business seven or eight years, that he was in a concentration camp for six years, and that was—he was financially unable to assist me in the expense of this case here.

Q. Then is the financial burden of defending this lawsuit, is that being borne entirely by the Melvin Sosnick Company?

A. Entirely. . . .

A. I believe that I am persecuted, singled out, because we only sell probably one-tenth of one per cent of the cases sold by Rubinfeld. I think, and can't understand why two men would travel three thousand miles to come to San Francisco to sue one individual distributor who is in only one city and vicinity, when he can do it right in his backyard. Now, why it is done that way, I don't know."

Mr. Patriarca's explanation is mystifying (R. 84):

"Q. Could you explain, Mr. Patriarca, since you have come from Providence, Rhode Island, about three thousand miles away, you have come all the way across the country to sue someone on a patent, why is it that you have sued Melvin Sosnick Company, a cigar wholesaler, instead of the manufacturer Rubinfeld Showcase Company? (85)

A. I came about January 15th of last year or thereabout. It (87) might be a few days before or after. I came to San Francisco because I was informed that Sosnick Company was selling cases similar to mine. I came over here and I saw three installations with my own eyes. I was satisfied there was an exact infringement, at least in my own mind. I told my attorney to advise them. They first stalled as long as they could, and then practically told us we didn't have no patent, no leg to stand on, so they are going right ahead and do what they want. At least that is the way I understood it.

Q. (By the Court.) Do you have anything to say about why you have not, if you have not, sued the Rubinfeld Showcase Company?

A. Well, I felt that if we sue one, and if I had to go and sue Rubinfeld, I had to go to Los Angeles, and I don't intend to spend the rest of my days in court. I got a living to make. (88)''

Turning now to the "commercial success" itself. This argument rests solely on the premise that the design is such as to cause customers to buy cigars.

Apparently the design is immaterial in the sale of cases as Mr. Patriarca has only sold 4,000 cases in a market of 2,000,000 retail outlets. (R. 88.)

But the argument of plaintiff is totally unsupported by the evidence.

In discussing the reason for the fact that the cigar business is not an increasing business in today's economy, Glaser cited two things:

"lack of proper display in show cases

and

the lack of proper conditioning for cigars." (R. 101.)

Glaser was unable to pinpoint the reasons for increased cigar sales—stating there were various things to consider such as:

- (1) Influx of population to the West Coast.
 - (2) Greater cigar smoking public in the West.
 - (3) Higher wage scale in the West means more cigar sales.
 - (4) People in fresh air smoke more cigars.
- "This is part of the picture," he said. (R. 111.)

(5) National advertising is also a factor. (R. 110.)

(6) Teaching his customers to merchandise cigars is also a factor. (R. 116.)

“*Fresh*” cigars was the thing most stressed as being the reason for “commercial success”.

As Glaser said at R. 118:

“fresh cigars is the thing that is going to bring cigars back to life.”

Finally, Glaser said (R. 98):

“Q. Do you know whether or not the sale of the cases that you had made have increased or decreased the sale of cigars in your area?

A. I can't say positively that we have increased the sale of cigars in our area through the sale of cigar cases, but I would say our sales have increased perceptibly since 1953.”

CONCLUSION.

Plaintiff's case was carefully considered by the learned trial judge below. The trial Court's decision is well-supported by the record and the law. We ask this Court to affirm that decision.

Dated, San Francisco, California,
January 11, 1960.

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